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## Viewing cable 08RIYADH547, SAUDI ARAMCO TREASURER DISCUSSES ARAMCO'S

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#08RIYADH547**.

Reference ID	Created	Released	Classification	Origin
<a href="#">08RIYADH547</a>	<a href="#">2008-04-02 13:13</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Riyadh</a>

Appears in these articles:

<http://www.mcclatchydc.com/2011/05/25/114759/wikileaks-saudis-often-warned.html>

VZCZCXRO1178  
PP RUEHDE RUEHDIR  
DE RUEHRH #0547/01 0931313  
ZNY CCCCC ZZH  
P 021313Z APR 08  
FM AMEMBASSY RIYADH  
TO RUEHC/SECSTATE WASHDC PRIORITY 8109  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 RIYADH 000547

SIPDIS

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DEPT FOR NEA/ARP, EEB/IFD, EEB/ESC

E.O. 12958: DECL: 04/02/2018  
TAGS: [ECON](#) [EFIN](#) [EINV](#) [EPET](#) [PGOV](#) [PINR](#) [SA](#)  
SUBJECT: SAUDI ARAMCO TREASURER DISCUSSES ARAMCO'S  
INVESTMENTS

Classified By: Consul General John Kincannon for Reasons 1.4 (b) and (d)  
) .

¶1. (C/NF) SUMMARY: Saudi Aramco's Treasurer revealed to Consulate officials that Saudi Aramco manages liquid investments of approximately \$60 billion, an amount he described as comparable to the fifth or sixth largest sovereign wealth fund in the Gulf. Aramco is considering a number of corporate reorganization measures that would allow them to benefit from the strong capitalization of many of their ventures. Although Saudi Aramco maintains strong relationships with many top American financial firms, their Treasurer says that a combination of factors causes Saudi Aramco to manage virtually all of its international investments from Europe. END SUMMARY.

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A Man Who Writes Big Checks  
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¶2. (C/NF) The CG and Consulate officers met with Saudi Aramco Treasurer Motassim al-Maashouq (protect) at a social event on April 1. Jokingly, the CG suggested to al-Maashouq that his most important job responsibility probably entailed sending a large check to Riyadh every month. In the same spirit, al-Maashouq replied, "Actually, it's twice a month. They're very happy. They have no idea how to spend all this money."

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And Manages a Large Endowment  
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¶3. (C/NF) Among al-Maashouq's responsibilities is managing the endowment for the new King Abdullah University of Science and Technology (KAUST). "We're the third largest endowment in the world. Harvard is \$34 billion. Yale is \$21 billion. Stanford is \$16 billion. We're closer to Yale than Stanford." Al-Maashouq revealed that Aramco had recently retained the services of Yale's long-time portfolio manager to advise the company on investing KAUST's endowment. He noted that Aramco also maintains an active investment portfolio that has fully funded all of Aramco's future pension and medical liabilities. "When you look at all of this, we're comparable to the fifth or sixth largest sovereign wealth fund in the Gulf. We're certainly not in the league of Abu Dhabi or Kuwait, but we stack up very closely with the Qatar Investment Authority in terms of size." Most publicly available information puts QIA's assets in the range of \$60 billion.

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With a Strong Balance Sheet  
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¶4. (C/NF) Al-Maashouq said that Saudi Aramco was examining a number of corporate reorganization strategies that might allow it to benefit from its strong and very conservative balance sheet. "For example," said al-Maashouq, "you might not be aware that Saudi Aramco is one of the largest real estate developers in Saudi Arabia. We buy large plots of land, develop housing, give loans to our employees to purchase it, but hold the title until the loan is fully paid off. We also control the employee's paycheck. You may have a sub-prime mortgage crisis in America, but this is as safe as could be. We're looking at ways we could move the real estate arm out of the company, perhaps spin off our medical services with a strategic partner, and look at ways to leverage the Vela shipping fleet. We look at GE Finance and GMAC Financing as potential models."

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But Aramco Manages Its Money in Europe  
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¶5. (C/NF) Al-Maashouq opined that the United States "has really screwed up" by squandering American leadership in international capital and finance. "You guys have restored London as the world's international financial center by shooting yourselves in the foot." Citing a superior regulatory environment, many fewer visa hassles, and NOPEC legislation, al-Maashouq said that Aramco preferred to manage

the bulk of its international investments through London or sometimes the Channel Islands. Noting that Aramco maintains strong relationships with major American financial firms like JP Morgan Chase, KKR, Blackstone, and Warburg Pincus, al-Maashouq said that Aramco chose to work with their London offices rather than dealing with the visa problems and a less certain regulatory environment in the United States.

APPROVED: JKINCANNON  
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